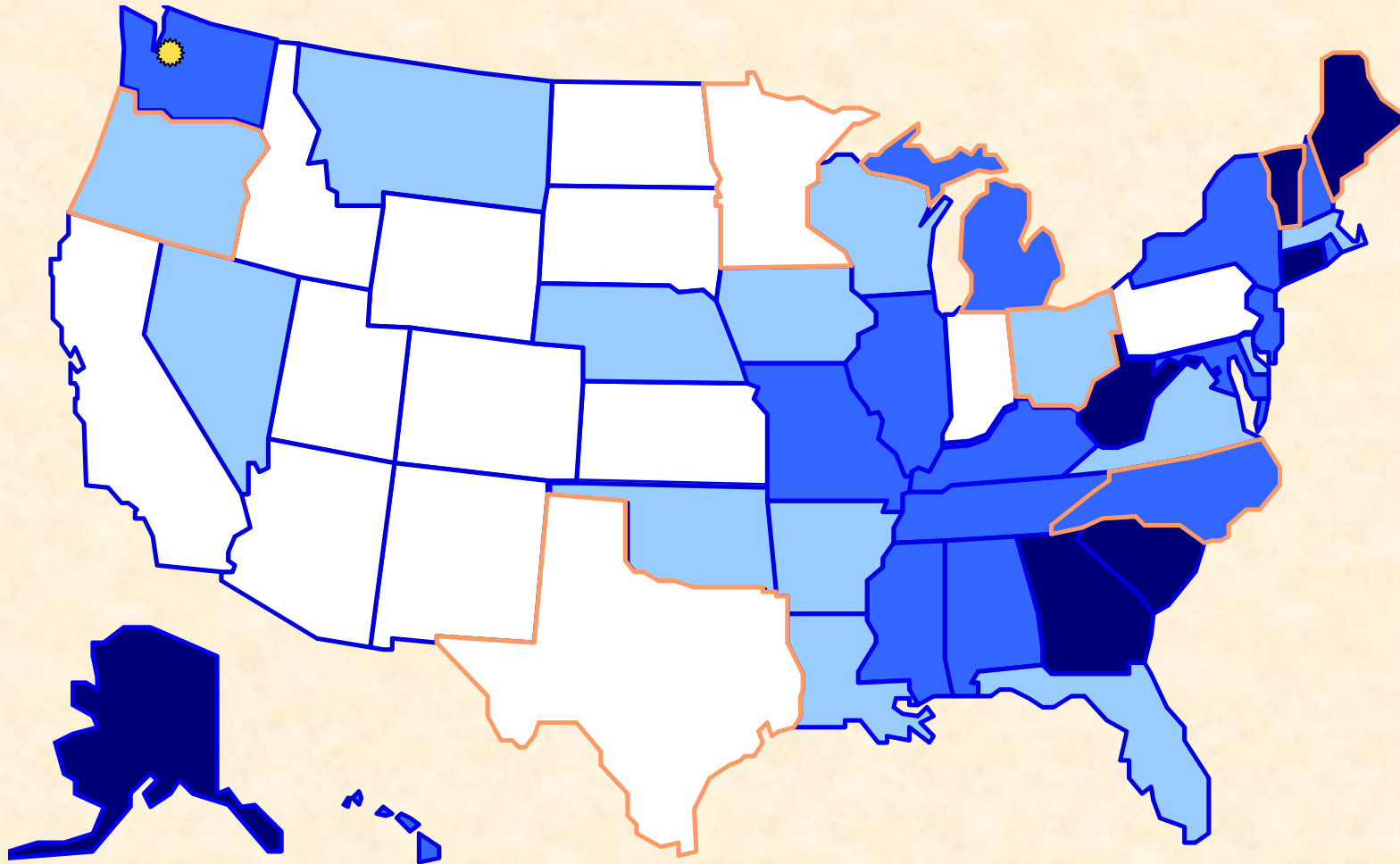
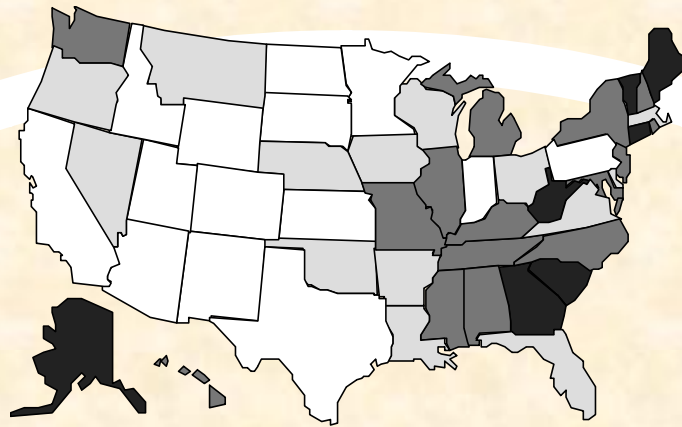


National CON Perspective and Experience
Selected Review of State Public Oversight Efforts



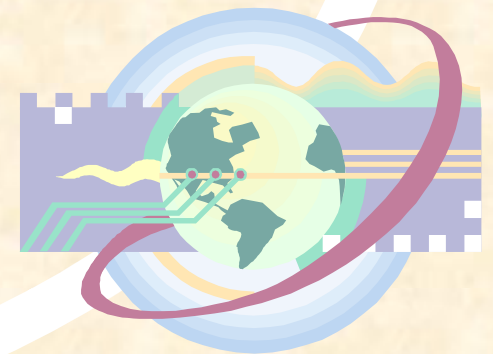
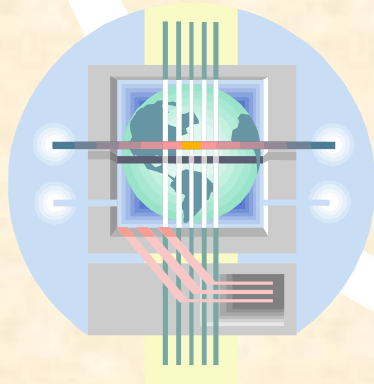


Thomas R. Piper

Principal, MacQuest Consulting

a presentation to the
Washington State CON Task Force
Wednesday, March 29, 2006, SeaTac Hilton

paper copies of CON statutes and regulations
are available in 3-ring binders on the tables



The CON Matrix of 2005 Relative Scope and Review Thresholds: CON Regulated Services by State

(this information is summarized from the 2005 National Directory of Health Planning, Policy and Regulatory Agencies, the fifteenth edition published by the American Health Planning Association, also see map)

Rank (no. of svcs. x weight)	Categories	Acute Care	Air Ambulance	Amb Surg Ctrs	Burn Care	Business Cmpnts	Cardiac Cath.	CT Scanners	Gamma Knives	Home Hlth	ICF/MR	Lithotripsy	Long Term Care	Med Off Bldg	Mobile Hi Tech	MRI Scans	Neo-natl Int Care	Obstetric Svcs	Open Heart Svcs	Organ Transplant	PET Scans	Psychiatric Svcs	Rad Therapy	Rehab	Renal Dialysis	Res Care Fac	Subacute	Substance Abuse	Swing Beds	Ultrasound	Other (items not otherwise covered)	Count (no. of svcs.)	compiled by Thomas R. Piper Missouri CON program Jefferson City, MO 573-751-6403 \$ nrsg hrm/hosp			
																																	Reviewability Thresholds			
																																	Capital	Med Equip	New Svc	Weight
28.8	Connecticut																													Assisted living	24	1,000,000	400,000	0	1.2	
26.0	Alaska																															26	1,000,000	1,000,000	1,000,000	1.0
24.2	Georgia																															22	1,322,151	734,695	any	1.1
22.5	Vermont																															25	3,011,541	1,000,000	500,000	0.9
21.6	Maine																															24	2,400,000	1,200,000	110,000	0.9
20.7	West Virginia																														Behavioral Hlth	23	2,000,000	2,000,000	23 svcs	0.9
20.0	South Carolina																															20	2,000,000	800,000	1,000,000	1.0
18.4	North Carolina																														IC & other	23	2,000,000	750,000	n/a	0.8
17.0	Mississippi																														hospice, meth	17	2,000,000	1,500,000	any	1.0
16.8	Tennessee																															21	2,000,000	1,500,000	any beds	0.8
16.8	Dist. of Columbia																															24	2,500,000	1,500,000	800,000	0.7
16.0	Kentucky																														Mobile svcs	20	1,951,612	1,951,612	n/a	0.8
15.2	Rhode Island																															19	2,000,000	1,000,000	750,000	0.8
15.0	New York																															25	3,000,000	3,000,000	any	0.6
15.0	Hawaii																															25	4,000,000	1,000,000	any	0.6
14.4	Maryland																														fed. swing bed	16	1,800,000	n/a	any	0.9
14.4	Michigan																														Hosp & Surg	18	2,500,000	any	any clin.	0.8
12.8	Washington																														Hospice	16	var. by svc.	n/a	any	0.8
12.6	New Hampshire																															14	1,952,870	400,000	any	0.9
12.1	New Jersey																															11	1,000,000	1,000,000	any	1.1
11.4	Alabama																														ESRD & LIC	19	4,108,000	2,054,000	any	0.6
10.4	Missouri																														New hosp.	13	0.6M/1.0M	0.4M/1.0M	1,000,000	0.8
9.0	Illinois																														Other	18	6,732,798	6,425,245	any	0.5
8.1	Iowa																															9	1,500,000	1,500,000	500,000	0.9
8.0	Virginia																														MSL SPECT	20	5,000,000	n/a	n/a	0.4
7.0	Oklahoma																														psych. chem.	5	500,000	n/a	any beds	1.4
6.3	Montana																															7	1,500,000	n/a	150,000	0.9
6.3	Florida																														Hospice	9	none	none	none	0.7
6.0	Arkansas																															5	500,000	n/a	n/a	1.2
4.8	Massachusetts																														ECMO	16	12,004,549	1,280,485	all	0.3
4.8	Delaware																														Biting cts.	8	5,000,000	5,000,000	n/a	0.6
4.4	Wisconsin																														Other	4	1,000,000	800,000	any LTC	1.1
3.5	Nevada																															7	2,000,000	n/a	n/a	0.5
2.4	Oregon																															2	any LTC/hr	n/a	LTC/hsp	1.2
0.5	Ohio																															1	2M renov	n/a	n/a	0.5
0.4	Nebraska																															2	n/a	n/a	LTC >10%	0.2
0.4	Louisiana																															2	n/a	n/a	LTC/MR	0.2

Disclaimer: Rank order relates to volume of items reviewed, NOT intensity of analysis or conclusions which are based on Criteria and Standards and decisions

Source: Updated January 19, 2005, using most recent information available



Chosen Comparisons of Activities

Broad Regulation

- Maine
- Vermont

Medium Regulation

- Michigan
- North Carolina

Limited Regulation

- Ohio
- Oregon

Post Regulation

- Minnesota
- Texas

states which
represent a wide
range of public
oversight and
experiences . . .
information often
challenging to find
and interesting to
compare.

Selected Review of State Public Oversight Efforts

This table summarizes the findings detailed in the individual state profiles that are attached hereafter:

Name	CON	Hill Ping	Access	Costs	Quality	Other	Lessons
Maine	Yes Office of Public Health, Dept. of Health and Human Services	Established in 2006, Hill Ping efforts made significant impact on many fronts**	Designated Health Focus on increasing the number of trained staff at 3 years	Limitation on CONs raised for various reasons not in scope of review	Quality Forum w/ focus on quality performance, evidence-based practice, and patient safety	Reforms for all, patient care, public engagement, and regulatory monitoring group	Cooperative of local systems of planning, reporting, and regulatory compliance
Michigan	Yes Dept. of Community Health, Div. 2, Legal Affairs	Selected large impact services, CON reviewed, appropriate attention to public health, scope and impact**	Implemented by combination of regulatory CON review criteria and other program efforts	Early review efforts followed by systematic analysis of CON impacts on cost	High Quality Improvement, coordinated all core guidelines and standards for quality care	Reforms related to Michigan and other issues and other issues and quality and patient safety	Massive impact of regulation, but cooperative efforts to prevent health care
Minnesota	No	No evidence of health planning activities of health care	Advisory, not mandated, can't health plan activities of health care	Advisory, not mandated, can't health plan activities of health care	Public safety, consumer, and other issues and quality and patient safety	Reforms related to Michigan and other issues and quality and patient safety	Massive impact of regulation, but cooperative efforts to prevent health care
North Carolina	Yes Dept. of Health and Human Services, Div. of Family Health	Established in 2006, Hill Ping efforts made significant impact on many fronts**	Designated Health Focus on increasing the number of trained staff at 3 years	Limitation on CONs raised for various reasons not in scope of review	Quality Forum w/ focus on quality performance, evidence-based practice, and patient safety	Reforms for all, patient care, public engagement, and regulatory monitoring group	Cooperative of local systems of planning, reporting, and regulatory compliance
Ohio	Yes Dept. of Health, Div. of Reg. Affairs & Personnel Care	Established in 2006, Hill Ping efforts made significant impact on many fronts**	Designated Health Focus on increasing the number of trained staff at 3 years	Limitation on CONs raised for various reasons not in scope of review	Quality Forum w/ focus on quality performance, evidence-based practice, and patient safety	Reforms for all, patient care, public engagement, and regulatory monitoring group	Cooperative of local systems of planning, reporting, and regulatory compliance
Oregon	Yes Dept. of Health	Established in 2006, Hill Ping efforts made significant impact on many fronts**	Designated Health Focus on increasing the number of trained staff at 3 years	Limitation on CONs raised for various reasons not in scope of review	Quality Forum w/ focus on quality performance, evidence-based practice, and patient safety	Reforms for all, patient care, public engagement, and regulatory monitoring group	Cooperative of local systems of planning, reporting, and regulatory compliance
Texas	No	No evidence of health planning activities of health care	Advisory, not mandated, can't health plan activities of health care	Advisory, not mandated, can't health plan activities of health care	Public safety, consumer, and other issues and quality and patient safety	Reforms related to Michigan and other issues and quality and patient safety	Massive impact of regulation, but cooperative efforts to prevent health care
Vermont	Yes Dept. of Health, Div. 2, Legal Affairs	Established in 2006, Hill Ping efforts made significant impact on many fronts**	Designated Health Focus on increasing the number of trained staff at 3 years	Limitation on CONs raised for various reasons not in scope of review	Quality Forum w/ focus on quality performance, evidence-based practice, and patient safety	Reforms for all, patient care, public engagement, and regulatory monitoring group	Cooperative of local systems of planning, reporting, and regulatory compliance

*Location of CON in government

**see attached 2005 Relative Scope and Review Thresholds

Handout provides detail behind this overview



General Overall Observations

- Most of the states have a plan
- Many have formed partnerships of interest
- Regulatory programs monitor compliance
- Purposeful efforts to affect quality and costs
- Legislative attempts to unwanted development
- Restrictions on public funding of health care
- General expansion of cooperative efforts

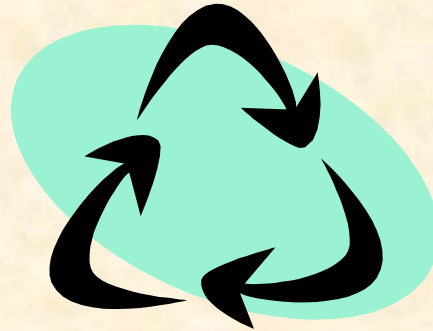
- **CON purpose and goals**
 - cost containment, access and quality approaches vary from state to state
 - all attempt to avoid duplication of services
- **Application review criteria**
 - regulate utilization and restrict surpluses
 - quality has specific definitions and criteria
- **Scope of review**
 - high-impact for costs and need (definitions vary)
 - emphasis on facilities and equipment:

(this information is summarized from the 2005 National Directory of Health Planning, Policy and Regulatory Agencies, the fifteenth edition published by the American Health Planning Association, also see map)

Rank (no. of svcs. x weight)	Categories																					Count (no. of svcs.)	compiled by Thomas R. Piper Missouri CON program Jefferson City, MO 573-751-6403												
																							\$ nrsng hm/ hosp												
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22.5	Vermont																												25	3.0/1.5M	1,000,000	500,000	0.9		
21.6	Maine																												24	2,400,000	1,200,000	110,000	0.9		
18.4	North Carolina																														23	2,000,000	750,000	n/a	0.8
14.4	Michigan																														18	2,500,000	any	any clin.	0.8
2.4	Oregon																														2	anyLTC/hs	n/a	LTC/hsp	1.2
0.5	Ohio																														1	2M renov	n/a	n/a	0.5

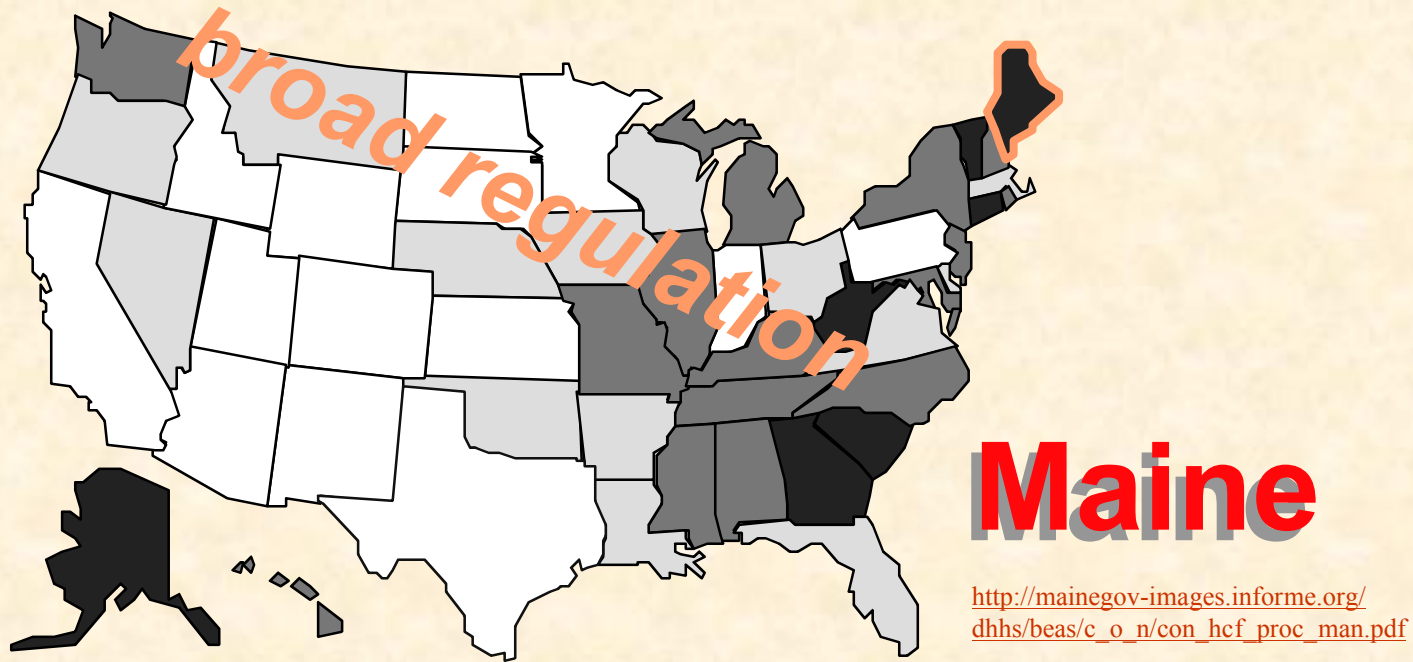
Disclaimer: Rank order relates to volume of items reviewed, NOT intensity of analysis or conclusions which are based on Criteria and Standards and decisions

Source: Updated January 19, 2005, using most recent information available



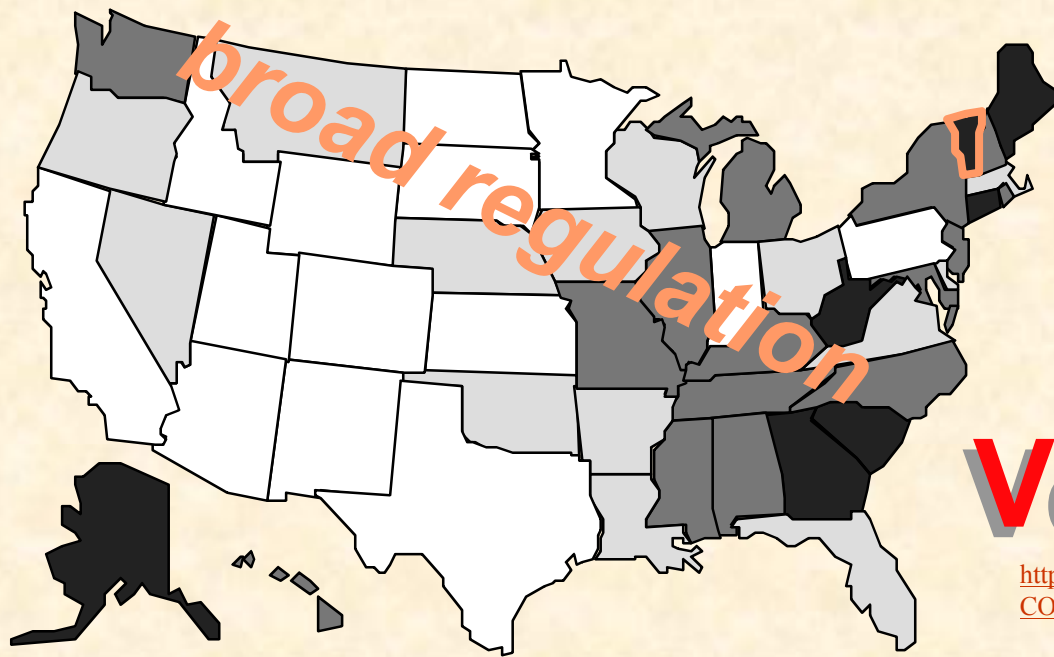
Specific Observations related to:

- **Service and facility specific policies**
 - most have financial thresholds (cap., eqpt., svcs.)
 - criteria and standards based on utilization data
- **Compliance monitoring**
 - effective period varies (average 5 years)
 - penalties for non-compliance (probation, fines, denials)
- **Review and decision process**
 - broad diversity in processes (single, batch, preview)
 - decision-makers vary (staff, commissions, directors)
- **Data venues and systems**
 - transparency through reporting (hospital charges, safety surveys, provider performance, health delivery quality, private company health costs, and more)
 - coalitions based on health information for medical cost containment and surveillance



Distinctive Points:

- numerous studies, modifications, reforms, improvements
- Dirigo Health Reform Act of 2003 for comprehensive affordable health care coverage, statewide health expenditure budget, and CON driven by state health plan
- CON prohibition on nursing home project that add costs to the state's Medicaid fund
- Maine Quality Forum research quality, medicine, safety

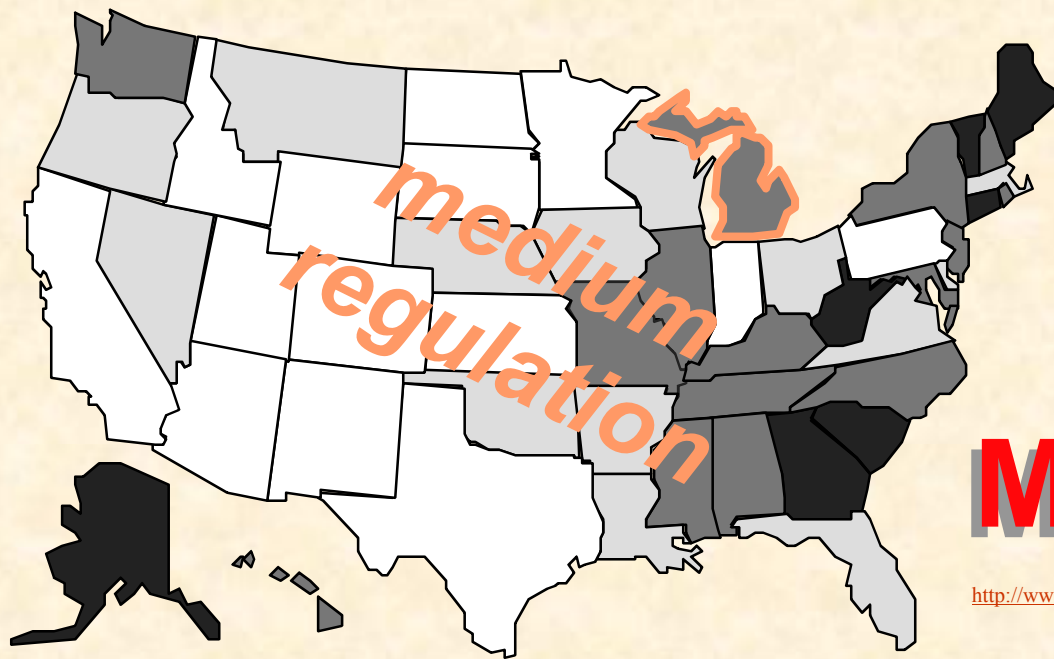


Vermont

http://www.bishca.state.vt.us/HcaDiv/CON_/CON_Main_Index.htm

Distinctive Points:

- regulatory resources meet the state's oversight needs
- strong Health Resource Allocation Plan guides process
- HRAP based on IOM principles for safety, timeliness, effectiveness, efficiency, equity and patient-centeredness
- Vermont Information Technology Leaders group building a state plan by 2007

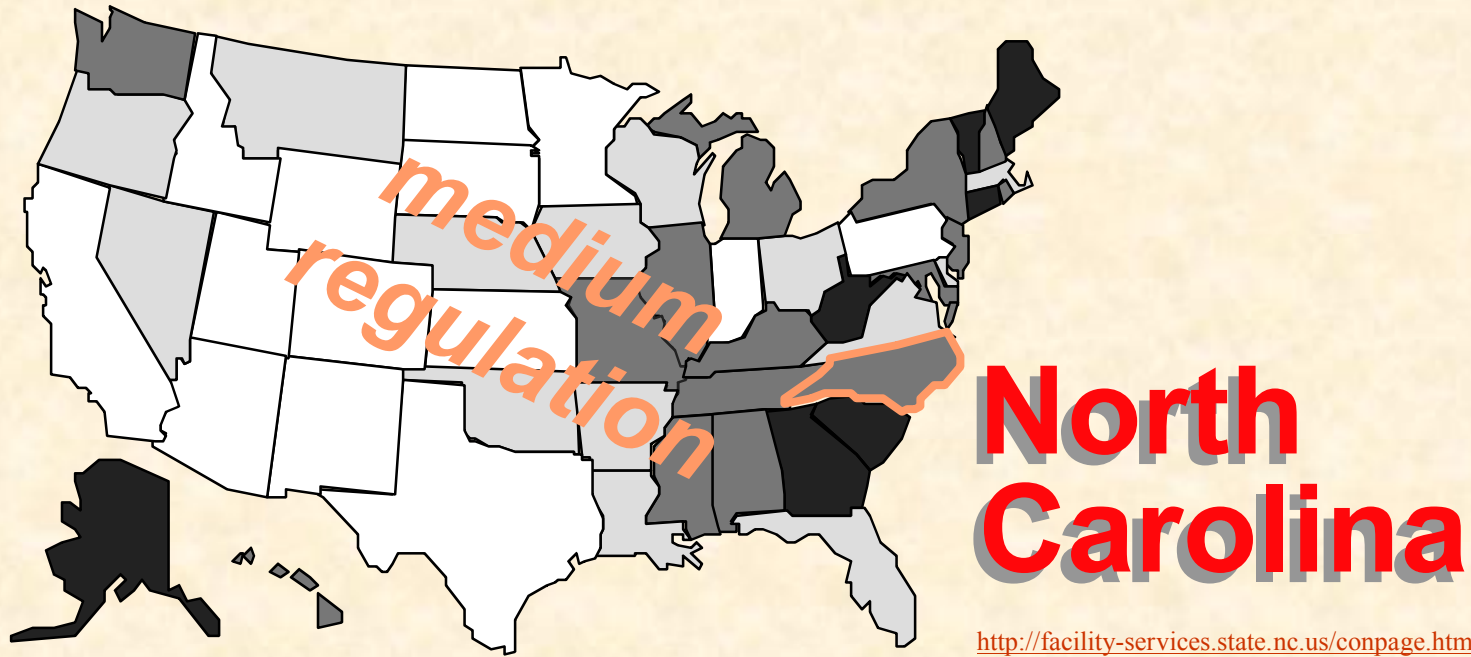


Michigan

http://www.michigan.gov/mdch/1,1607,7-132-2945_5106---,00.html

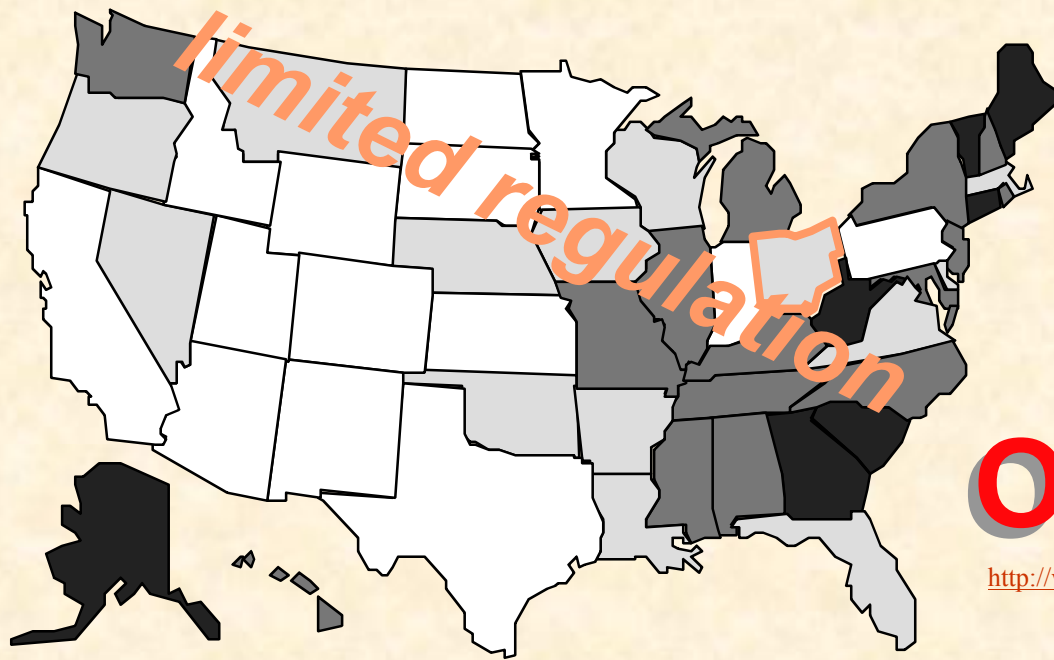
Distinctive Points:

- very visible business support for and involvement in CON
- Michigan Quality Improvement Consortium to provide clinical practice guidelines and performance measures
- Economic Alliance for Michigan channeled the Big-Three Automakers studies on value of CON to business
- Michigan Health & Safety Coalition is a collaborative health care quality improvement effort across all settings



Distinctive Points:

- long-standing traditional regulatory system using Medical Facilities Plan to guide successful CON model
- State law defines the need criteria in the plan as “determinative limitations” on what may be approved
- Medicaid and other health care reimbursement is limited to less than the rate of inflation
- North Carolina Hospital Association instituted patient safety initiative to reduce morbidity and mortality

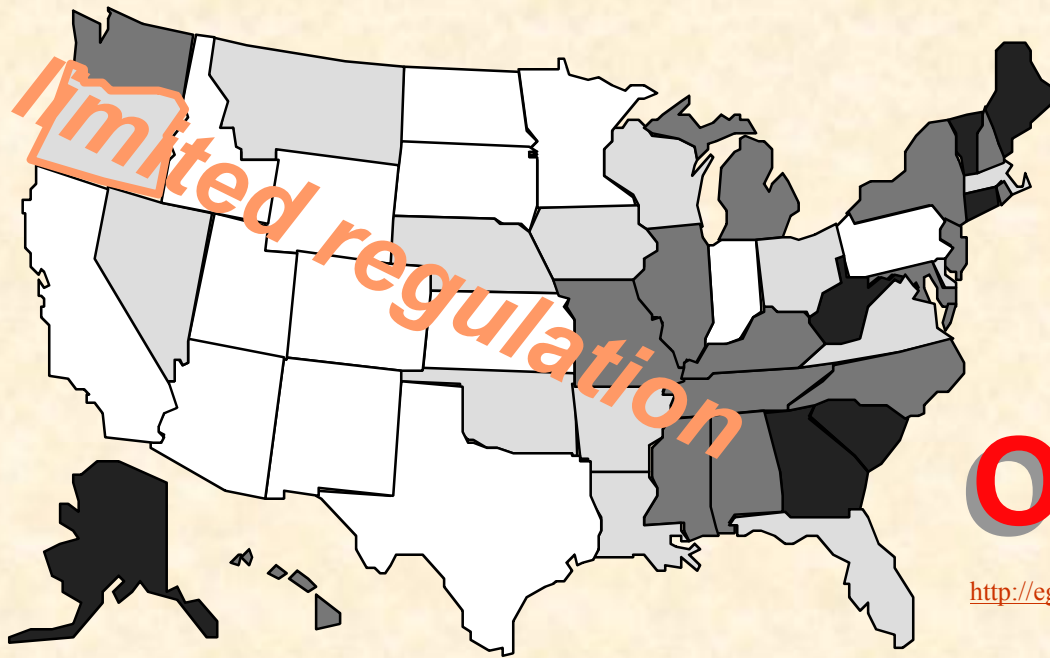


Ohio

<http://www.odh.ohio.gov/rules/final/f3701-12.aspx>

Distinctive Points:

- very limited CON confined to long-term care services
- best-documented example of impact of deregulation
- Medicaid rates have been frozen for past 2 years
- Ohio Civil Service Employee Association along with six other unions in Ohio, addresses health care cost and quality issues through a joint health care committee

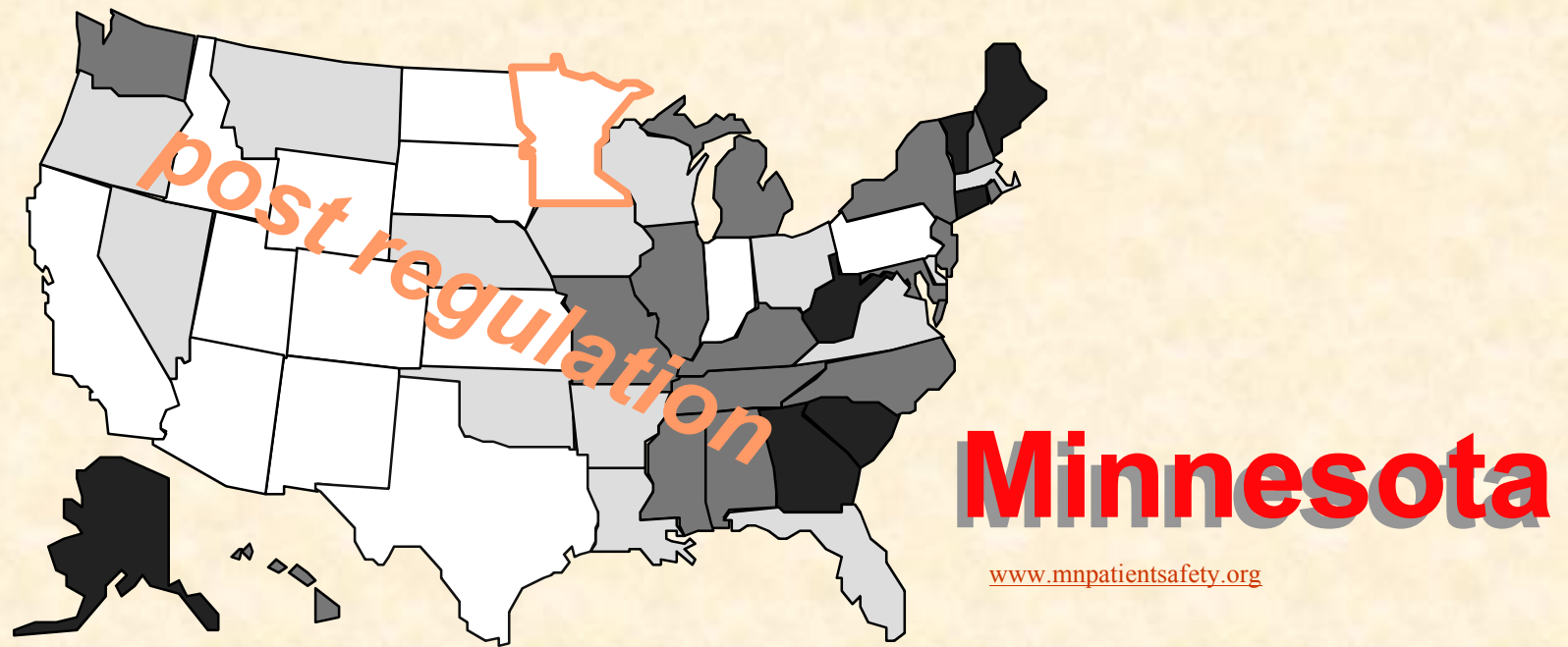


Oregon

<http://egov.oregon.gov/DHS/ph/hsp/certneed/index.shtml>

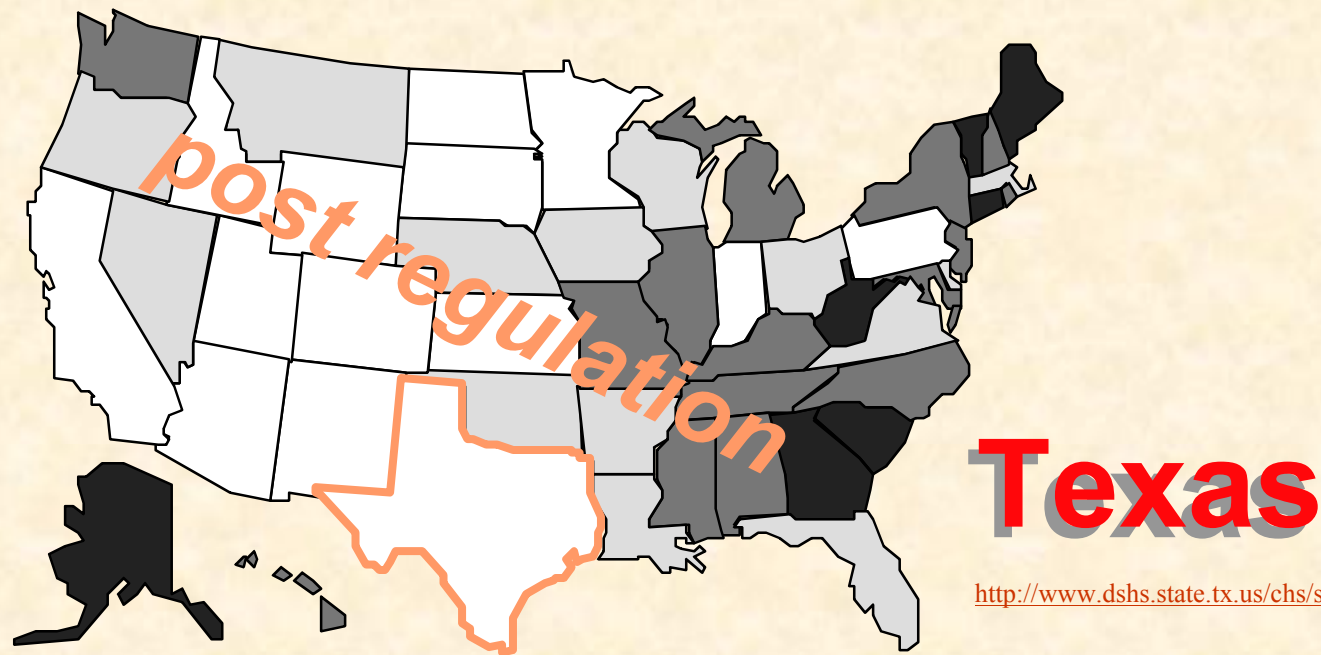
Distinctive Points:

- limited focus on quality, healthcare access and costs
- Oregon Division of Health has a Health Systems Planning function to strengthen health care, and a new commission to address problem of medical errors just created
- Health Resources Commission conducts medical technology assessments and related capital expenditures
- Oregon Office for Health Policy and Research just published data about Oregon hospitals, and the Oregon Hospital Association has published PricePoint



Distinctive Points:

- very successful in developing partnerships to monitor access and quality, and disseminating info through Internet
- moratorium established in 1984 prevents new hospitals, or expansion or relocation of existing hospital beds
- Minnesota Community Measurement rate medical groups
- Health Minnesota: A Partnership for Reform



Distinctive Points:

- significant evidence of collaborative competition and cooperative private/public partnerships about health care
- Texas Statewide Health Coordinating Council produced a 6-year State Health Plan to guide public efforts, and the new Texas Health Care Policy Council created by legislature, as well as the Council on Health Technology
- Moratoriums have frozen CMS and state reimbursement
- Specialty hospitals a huge concern (57 now, 28 coming)
- Medicaid & Healthcare Partnership administer Medicaid and Texas Health Network



LESSONS LEARNED

- Every CON program is **different**, dependent on local context and politics
- Purpose and Goals are all similar, **methodology** and **what** is implemented is the key
- Need a **plan**, but different approaches; some states with a overall state plan, and CON is a part of the Plan; some state's CON is the state health plan.
- **Monitoring** and **evaluation** done, but for variable lengths of time
- **Regulation** is done, but **how** is the difference: CON, moratoriums (permanent and temporary), new legislation
- Infrastructure varies, commissions-elected and appointed, coalitions, but **decisions are not left to one person**
- **Location** in a specific department or agency, but a rather independent functioning
- **Transparency**: hospital costs, adverse events, patient safety,
- **Specialty hospitals** are a larger concern in states without CON or less regulation
- CON is part of a much **bigger picture**
- Every state is trying to **constrict** public reimbursement
- **Cooperation, Collaboration, Work** are the key (public and private)



Balance Regulation and Competition:

Protect Community Interests

- Promote the development of community-oriented health services and facility plans
- Provide pricing and quality information to consumers so that they have an educated choice
- Provide a public forum to ensure that the community has a voice in health care

*promoting responsive planning,
evaluating health systems and reducing unnecessary health costs*



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Public Oversight: Protecting Community Interests

